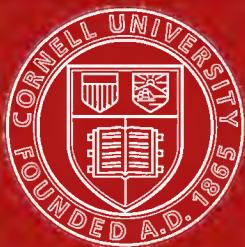


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## REPORT OF COMMITTEE

WITH REFERENCE

TO THE

SALE OF GOVERNMENT LANDS  
IN THE SUDAN.

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PRESENTED TO H. E. THE GOVERNOR GENERAL  
SIR REGINALD WINGATE, K. C. B., K. C. M. G.

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JUNE 1904.

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H. E. THE GOVERNOR GENERAL,  
SIR REGINALD WINGATE, K.C.B., K.C.M.G.  
Excellency,

We are instructed to advise on the conditions on which proposals for land-grants may be favourably entertained by the Sudan Government.

PRELIMINARY.

Our task is materially simplified by the fact that at an early stage we had to advise on the specific application made by Mr. Leigh Hunt, and that the negotiations with that gentleman have now resulted in the conclusion of a contract with him. In the course of these negotiations the general principles applicable came to be settled with a fair degree of definiteness, so that little more remains under this head than that we should place those principles on record for purpose of future reference, noting the points which will require further working out and those in which the conditions of the particular case may require to be varied in other cases.

We may premise that our enquiry is limited for the present Limitation of enquiry. to lands of moderate depth bordering the Nile in districts where there is no reliable rain-fall. Applications for land in districts where an elaborate irrigation system would be required, or in the Southern Provinces where there is a regular rain-fall, would be governed by entirely different considerations, which it is no part of our purpose to discuss.

## CHAPTER I.

### Existing Native Rights.

Since our sittings commenced, our attention has been directed, by further instructions, to the question of existing native rights over some of the lands concerned, and it may be convenient if we first indicate our views in this matter.

**Scope of native rights.** We understand that native rights extend to full occupying ownership of land immediately along the river bank, and of occasional plots further back, which are watered from wells, together with cultivating rights over a much larger portion of the land, in the occasional years in which they are covered by high floods. We ought to remark that immediately behind the lands actually cultivated there frequently lie lands actually uncultivated and free from taxation, which were formerly cultivated by lift, but are now left unirrigated, owing to the absence of labour and possibly of any market for the produce, but which are undoubtedly claimed in full ownership. We further understand that the question of cultivating rights over land occasionally flooded is now forming the subject of enquiry, but how far such enquiry is regarded as purely judicial in its character, and how far, on the other hand, the administrative question of the nature of the rights to be recognised is regarded as an open one, we are not specifically aware.

**Land under regular cultivation.** We understand it to be a cardinal principle that rights of ownership combined with actual occupation are not lightly to be disturbed. The compulsory powers of the Government would therefore only be put into force for the expropriation

**Policy of non-expropriation.**

of such land in the case of land required for pumping stations, or for other necessary works (e.g. canals, drains and roads) or in the case of plots (especially isolated plots) of small relative extent, which from their position would be a serious obstacle to a scheme covering a much larger area.

In such cases the existing legislation has only provided compensation for pecuniary compensation. Compensation in the form of land would, generally speaking, be in every way preferable, and we advise that this form of compensation be ordinarily adopted. It could probably be arranged for by the local authorities, but, failing voluntary acceptance of such compensation, amending legislation would, in our opinion, be desirable. The substituted land should be handed over ready for cultivation, or should be accompanied by a money grant as compensation for disturbance.

Where such lands are acquired by voluntary agreement, voluntary the terms of the agreement should be subject to the approval of the Government or of the local authorities. expropriation to be controlled.

The question of land occasionally flooded raises the whole **Land** question of land tenure in the districts concerned, and we capable of occasional cultivation. trust that the matter will be very carefully considered in all its bearings before a final decision is taken.

It is, on the one hand, somewhat startling at first sight, Importance of rights over such lands. that rights inconsistent with the profitable employment of the land should be claimed over large tracts by a very limited number of persons. On the other hand, it is to be observed that such rights date from a time when the population was very much larger and that the nature of such rights — of which a primitive population is always tenacious — is not necessarily altered by the fact of the number of persons in which they are concentrated being reduced. Nor does it

necessarily follow that rights are of small value because their yield is irregular. A resemblance might possibly be found between the receipts from this source and the case of timber upon an English estate, the occasional ripening of which may be of distinct use in meeting expenses which can be postponed until a favourable moment arises, or which may save the owner in a time of temporary embarrassment. A substantial sum from such a source might, for instance, provide the means of purchasing a sakia or cattle, which would be permanently impossible if the accumulated savings of ordinary cultivation were alone available.

We incline, therefore to think that these rights may have a direct bearing upon the prosperity of the country and that they should not be lightly disregarded.

Distinction  
between such  
rights and  
absolute  
ownership.

At the same time, the history of Egyptian land tenure leads us to suppose that the Government has never recognised any absolute ownership in such lands (although we are aware that the view of the Egyptian Government may have had no particular connection with local customary rights) and we should regard it as a mistake if the present Government were to give to such rights a new rigidity, at a time when they may stand in the way of the effective development of the country. While, therefore, we are of opinion that the rights themselves should be recognised, we regard it as essential that a clear distinction should be drawn between such rights and full ownership. It is scarcely less important that the persons in whom the rights are vested should be accurately defined. We regard it as *a priori* more probable that they are vested in the village or in the tribe than that they are vested in individuals by right of descent, and, if experience elsewhere is any guide, it is most probable that such rights are essentially incapable of alienation.

From the recognition of such rights it in no way follows such rights that they should be allowed to stand in the way of any irrigation schemes which are otherwise desirable. It is, in our opinion, sufficient that adequate compensation should be given for them. Such compensation, in Mr. Leigh Hunt's scheme, is intended to take the form of grants in full ownership of basin (as opposed to perennially irrigated land) and we see no valid objection to the adoption of the same system elsewhere.

It will be remarked that such compensation cannot be granted at the time of the decision of the Land Commission, or until an irrigation system is actually installed. The machinery of expropriation is therefore rather a question to be worked out by the legal advisers of the Government than one for us to consider. In particular, if the rights are communal rather than individual, precautions would require to be taken that the compensation found its way into the proper hands. Further, no definitive proportion could at this moment be fixed between the area over which the rights extend and the basin area to be granted in compensation. Any such proportion must depend upon the level of the land in each case and also upon the degree in which the area available is in correspondence with the needs of the population.

Our remarks under this head, if they are well founded, have a wider application than to the problem immediately before us.

Individual rights over clearly defined areas we should be inclined to assimilate to full ownership. On the other hand, we should, in the absence of strong evidence the other way, be inclined to regard all rights exercisable over land of variable extent or situation, especially when exercisable by the members of a community as such, as something distinct from, and incapable of ripening into, full ownership, and as *prima*

General application of above observations.

*facie* inalienable. If this distinction can be fairly drawn, the importance of its application to rain-fall lands in the Gezira (if any comprehensive scheme of irrigation for that locality is ultimately contemplated) cannot be over-estimated. In insisting on this distinction we are, we believe, only amplifying the observations made by Mr. Bonham Carter in his recent report.\*

**Land left uncultivated.**

**Rights of the Government.**

As regards land which the present population claim in full ownership but neglect to irrigate, we are of opinion that the Government should not hesitate to expropriate freely. We observe that it was the intention of the Title to Lands Ordinance 1899 that the title to such lands should be established under conditions which would have resulted in large portions of them reverting to the Government, and our attention is drawn to the fact that the Land Tax Ordinance 1899 expressly renders liable to taxation all lands "irrigable" and not merely land "irrigated." We are informed that such was the express intention of the then Governor General and, while we are not prepared to criticize the policy under which the powers to enforce cultivation by taxation have remained dormant, we are strongly of opinion that claims over an undefined "hinterland" should not be permitted to become a means of

\* NOTE.—We may appear to have generalised on the question of land tenure in the body of our report without any particular basis of fact to build on. Such evidence as we have been able to collect is of too vague a character, and too incomplete, to put forward in a systematic form, but, besides some evidence relating to the Gezira, Mr. Hayter has mentioned that tribal rights in island lands near Kartoum have come before him for decision as a Judge, and Mr. Sagar has given us information as to clear tribal ownership in occasionally flooded lands on the Atbara, where individual plots, when flooded, are regularly cultivated by the same member of the tribe. We anticipate that with the commercial development of the country such rights are destined to disappear, but we believe that much injustice may be avoided by recognising them at the present stage. Our object is in no way to attempt to define the nature of such rights, but rather to secure that the attention of the officers in a position to collect information should be drawn to a very important subject.

black-mailing persons who are prepared to actually cultivate. We therefore recommend money compensation in such cases, assessed according to the value of the land, apart from the destination for which it is purchased.

At the same time, in districts where increased facilities of communication may give an increased value to land, we are of opinion that the limits of the land in private ownership should be determined as soon as possible, either by the machinery of a Land Commission or by the enforcement of taxation. It would probably be found that any claim to abandoned wells away from the river was prescribed in favour of the Government.

We gather that speculative purchases are taking place, both of back lands and of occasionally irrigated lands. If our suggestions as to taxation of the rights over one, and the non-recognition of the alienability of the rights over the other, are adopted, such speculative purchases may, indeed, be stopped, but difficulties may arise with the purchasers. We should therefore be glad to see notices published, warning persons, who may propose to purchase land from natives claiming to be the owners thereof, that the non-taxation of irrigable land, which is left unirrigated, is a temporary concession only, and that it is unsafe to assume that persons exercising cultivating rights over occasionally irrigated land have a title thereto which, according to the local law, they are competent to transfer to a purchaser.

## CHAPTER II.

### **Pioneer Stage of Land Development.**

It is clear that for the proper development of the Sudan, crops suitable for export must be grown and that some cheaper means of access to the sea must be provided than at present exists.

**Policy in  
view of new  
railway.**

It results that anything which can be done prior to the opening of the new railway must be essentially preliminary. What is required at the moment is to induce foreign capitalists to take up land experimentally and to spend the money necessary for its development, with a view to shewing that crops suitable for export can be profitably grown. Once that fact is generally recognised, we see very substantial reasons for considering the development of the agricultural wealth of the country by land companies undesirable and, although the process would probably be slow, we should prefer to see the further development of the country worked out by the surplus population of Egypt, or by the growing population of the country itself. We ought, perhaps, to observe that our objections do not apply to land brought under cultivation by land companies with a view to speedy sale to peasant proprietors. For such operations there may always remain a large field.

**Principles  
to be  
followed in  
land grants**

From what we have said several results follow :—

- I. The grants as to which we are primarily advising will very probably be limited in number, and should from the outset be regarded as somewhat artificial in character.
- II. Lands to be granted should be such as will be served, with a reasonable degree of convenience, by the new railway.
- III. The Government is entitled to thoroughly satisfy itself as to the financial position of applicants.
- IV. Conditions should be laid down which will prevent the taking up of land for speculative purposes, and will ensure the business-like development of the land taken up.
- V. Subject to these conditions being satisfied, the Government need not concern itself with the price to be obtained for the land granted.

The larger part of the price will be represented by the irrigation works to be constructed, and the profit of the Government will arise from the increased yield of its land tax and the increased demand created for other lands.

It is useless to insist on obtaining the full market price of the land at a time when for land in large blocks there is no effective market.

While the above are the principal considerations to be kept in view we are of opinion that, even as to lands which, in a sense, are taken up experimentally, the Government may reasonably insist, and ought to insist, on the operations of the concessionnaires being such as shall be of service to the Government in the event of the enterprise being abandoned, and shall fit in with the development of the surrounding country, when the time comes for it to be developed.

From the first consideration result some observations made later as to irrigation works ; from the second it results that, unless there are serious reasons to the contrary, any scheme should include the whole area available between the river (excepting land already in cultivation by lift) and the edge of the cultivable land.

### CHAPTER III.

#### Qualities to be required in Applicants.

From what we have already said, and from the fact that Financial. it is proposed that the principal irrigation works should be carried out by the grantees, it results that the Government must be satisfied of the financial solidity and the business-like qualities of applicants.

In view of the fact that one of the principal expenses will be that of constructing the main canal, and that the length

of the canal is dependent entirely upon the levels, we cannot give any indication of the amount of capital to be required, but the Government would be justified in requiring—and ought to require—the fullest possible information as to the capital available and, where the capital is not that of the applicant, the source from which it is to be obtained.

Egyptian experience.

As labour will probably have to be brought from Egypt, it is desirable that applicants should have some Egyptian experience, or should command the services of persons with such experience.

Individual capitalists.

The best type of applicant is, no doubt, the large capitalist who is prepared to undertake the work with his own capital for the sake of the direct profit resulting from it.

Syndicates.

As, however, such capitalists with the necessary experience are likely to be rare, we see no objection to grants to Syndicates, nor, where the Syndicate is not appealing to the public, do we see any objection to the incorporation of a Syndicate under English or Egyptian law.

Land companies.

Land companies appealing to the public for their capital we should propose to scrutinize with the utmost care, especially where such companies were themselves promoted by parent companies in the hope of obtaining a profit on promotion. Companies promoted by men of practical experience, with a view to the investment of their own capital, and to obtaining salaried employment for themselves, where the appeal to the public was based on the confidence inspired by the promoters, we should regard more favourably.

Speculative holdings.

Applicants whose intention was merely to hold the land in the hope of a land-boom would be entirely undesirable, but they would be ruled out by the conditions upon which we propose that grants should be made.

## CHAPTER IV.

### Land available and Area of Grants.

The Egyptian Public Works Department has laid it down **Summer water.** that, for the present, summer water cannot be allowed to the Sudan for a greater area than 10,000 feddans, corresponding to an area of 25,000 to 30,000 feddans under perennial irrigation. Of this area 10,000 feddans has already been promised to Mr. Leigh Hunt, and several smaller grants have been made, so that one, or at most two, further grants only of substantial area for perennial irrigation will be possible, until the amount of water available is increased.

Other grants must therefore be for basin cultivation alone, **Catalogue of lands available.** early winter pumping being allowed if found useful. Of such land there is probably a larger area available than is likely to be applied for by suitable persons in the immediate future. That being the case, it might be convenient if the local authorities—with the assistance of an irrigation officer—came to some kind of decision as to the lands for which applications would be entertained.

As principles to be kept in view in selecting land, we **Principles to be followed in selecting land.** would especially mention that the land should be suitable for basin irrigation, and that, on the other hand, no limited area should be granted which would interfere later with a larger scheme which may be carried out by the Government. As an illustration of the latter principle we may refer to the land between Khartoum North and the Shabluka, which is of such large extent as to be unsuitable for a single grant, and which, from its situation and character, might well be selected as the first area to be developed under a comprehensive Government scheme.

Convenience for inspection—the possibility of making use of the main canal for the ultimate irrigation of land to the north and south—and the presence of local labour, would all be reasons in favour of selecting any particular area for a grant. The existence of important claims in respect of occasionally irrigated lands would tell in the opposite sense.

We are informed that an economical area for a single basin is some 10,000 feddans. That may therefore be looked upon as a normal minimum for grants, although, where the local conditions are inconsistent (owing to levels or the close approach of the desert to the river) with so large an area, there is no objection to grants of smaller extent.

## CHAPTER V.

### Surveys, Irrigation Works and Pumping.

**Leigh Hunt contract.** The policy we propose as to surveys, irrigation works and pumping, in so far as concerns pioneer concessions, sufficiently appears from the Leigh Hunt agreement. That policy (except so far as concerns the terms of pumping concessions) is either imposed by the necessities of Egyptian irrigation or rendered necessary by the present financial situation.

**Works at charge of concessionnaire.** Broadly speaking, we propose that all surveys should be conducted, and all irrigation, and similar works constructed, by the concessionnaires under Government control. In order that the lands may be useful for the Government in the event of their being abandoned, the irrigation works should include a main irrigation canal. This consideration rules out all applications for purely pump irrigation, several of which have been submitted to us.

In detail, so soon as the land to be taken up is selected, **Survey**, the concessionnaires should be allowed to enter upon it for the purpose of making a survey, taking levels and preparing plans of the irrigation works proposed.

Such plans should shew all necessary levels, the proposed **Plans**, distribution of the land in basins, and the position, levels and sections of the main irrigation canal or canals and of all main drainage works.

The plans should be presented to the Government before a date to be prescribed, and should require to be approved by the Government.

Upon the plans being approved, the applicant would be entitled to call for a grant.

He would then be required to complete the main irrigation **Construction of works**, canal or canals and main drainage works before a date to be prescribed.

The various dates to be prescribed should be fixed with **Dates**, reference to the working seasons: as, for instance, the approval of the plans would require a certain time, it would be wasteful of time to fix the date for submission of plans so near the commencement of a working season that a portion of the season would probably be lost. The date for completion of the main canal should be fixed from the outset, in order that operations may not be wilfully postponed for an indefinite time by the submission of improper plans. Once the main canal and drainage works are constructed, self-interest will probably lead to the remaining works being carried through without undue delay.

We have provided for the submission of plans to the **Controlling Sudan Government** as being the authority responsible for **authority**, local administration, but we have no wish to imply that the

Government should not (especially at present, when it has no competent staff of its own) avail itself of the services of the technical advisers of the Egyptian Government, in approving the plans or requiring alterations in them.

Deposit.

A deposit is provided for upon the initial agreement being entered into, which is forfeited to the Government if the grant is not duly taken up. This deposit guarantees the Government against loss in the form of expenses incurred by it in supervision, etc., in the event of the agreement going off, and further serves as a guarantee that the applicants, who prevent the land being otherwise dealt with for a considerable period, seriously intend proceeding with the matter.

In the event of the grant being taken up, we have not provided for the Government being recouped any expense it may have been put to out of the deposit, as such a procedure would lead to a certain complication of accounts and the Government will be ultimately recouped by the purchase price.

In the Leigh Hunt agreement, the deposit is expressed to be returned upon the taking up of the grant, a course which, in view of the expense already incurred by that gentleman, appears perfectly safe. It would be preferable in other cases to release it only when it is shown that a corresponding sum has been expended on irrigation works.

Supervision.

In addition to requiring the preliminary plans to be approved by the Government, we provided that all irrigation and drainage works should be required to be submitted, in such detail as might from time to time be indicated, and to be approved in advance.

Maintenance.

All irrigation, drainage and reclamation works should be constructed or carried out and thereafter maintained at the expense of the concessionnaire.

In view, however, of the inconvenience incident to having taking over the water supply of one property under the control of the owner of another property (inconvenience which may shew itself either in dispute as to the cost of upkeep of works or in the deliberate sacrificing of the interests of his neighbour by the owner who has control of the water supply) we propose that so soon as canals or drains come to serve the land of two or more owners they may be then declared of "public utility," and should thereupon vest in the Government without payment and thereafter be kept up at Government expense.

We have provided that the cost of such upkeep may be recovered, as additional land-tax, from the owners of the land served, but we are by no means clear that it would in practice be desirable to proceed in that manner.

The above are our proposals for dealing with irrigation works in pioneer concessions, but we are far from being satisfied that, if the Government were financially in a position to carry them out itself, the entrusting of them to individual owners would be justifiable.

In the first place, it results in possible applicants being limited to persons having command of considerable capital. The applicant, or a group of applicants, must be in a position to take up an area sufficiently large to constitute a commercially profitable basin. But, if the scheme could be carried out by the Government, there would probably be large numbers of small capitalists in Egypt with agricultural experience who would be able to take up smaller areas in the basin at prices at least as remunerative to the Government as that actually to be paid by the single concessionnaire.

If the fact that the irrigation works are to be constructed by the concessionnaires has any effect on the net price paid

(i.e. the price paid by the concessionnaire, or the price paid by purchasers, less the cost of constructing works) we anticipate that its effect will be to reduce the price, since the construction of irrigation works is a business entirely distinct from that of agriculture, and the agriculturalist, who is anxious to purchase land, and finds that, in order to do so, it is necessary to embark on a subsidiary business with which he is not familiar, and which involves a not easily calculated risk, makes sufficient allowance for that fact in the price offered to ensure his coming out (in any case) on the safe side.

In the same sense, a Government irrigation department is in a position to command the services of a body of experienced contractors with whom it is in close touch, whereas the concessionnaire has to find out for himself surveyors, contractors, etc., with none of whom he may hitherto have been in relation. There is at least a risk that he may consider it the simplest solution, as regards surveyors and surveyors of contracts, to buy up Government servants at prices, which, in the end, the Government pays, through the diminution of the price it obtains for its land. Finally, when a contractor has been obtained, he is engaged for a single piece of work only, and he has no inducement to make any of those small concessions which ease off the difficulties which pretty generally arise in carrying out a contract. That a Government contractor, who has always in mind the chance of obtaining further contracts, is reasonably accommodating, is shewn by the infrequency of law-suits between the Egyptian Government and its regular contractors.

For the above reasons, we anticipate that, so soon as the Sudan Government is in a position to be kept out of pocket by the cost of irrigation works during the period of construc-

tion, it may find it best to modify the policy above indicated in this respect.

As regards pumping, we have already remarked that the **Pumps**. number of pumping permits for summer water will be necessarily limited. But there seems at least a probability that cotton can be grown on basin land, if it can receive occasional waterings after the flood has fallen. It is even probable that the summer heat in the Sudan would render sowing at the time customary in Egypt inadvisable. No objection is raised on the part of the Egyptian Irrigation Department to pumping in the Sudan during the early winter, so that winter pumping permits are likely to be asked for on a large scale.

Whether as regards summer or winter pumping, we propose that all pumping permits be granted outside the <sup>pumping</sup> <sub>permits.</sub> document dealing with the land grant.

The general policy which we should recommend as to pumping permits sufficiently appears from paras. 38-49 of the Leigh Hunt agreement, and, as we expressly state therein that the subject requires further working out, and that legislation will probably be necessary, it would serve no useful purpose for us to recapitulate the terms of this agreement.

Broadly speaking, the conditions of pumping permits will naturally be based on those of similar permits in Egypt. We ought, however, to remark that the question of pumps is, in Egypt, one of undoubted difficulty, and that it is generally admitted that the pump owner is able to exercise over the land owners, whose land is served by him, a very considerable pressure. But we believe that it will be found on examination that most of the difficulties in Egypt arise either from

the absence of any power to legislate or from the absence of any tribunals with general competence to enforce local legislation. Neither of these causes operates in the Sudan, and, with a freer hand, the Sudan Government is certain to find modifications which can be usefully introduced. As the question will not be urgent for some little time, we leave it to the engineering and legal advisers to the Sudan Government to work out.

## CHAPTER VI.

### Taxation.

**Leigh Hunt contract.** We recommend that land-tax (represented until the final taking over of the land by rent) should be dealt with along the lines adopted in the arrangement with Mr. Leigh Hunt. It is therefore only necessary to explain the principles underlying that arrangement. They fall under two heads (1) temporary reduction of taxation in the initial stages of the enterprise and (2) general policy as to land-tax.

**Temporary remission of tax.** The policy of allowing temporary reductions of tax during the period of reclamation is well recognised in Egypt, where more or less elaborate rules have been laid down from time to time. We have not attempted to follow the Egyptian practice with any closeness, as the whole procedure is, we imagine, somewhat empirical, and as the particular works which have to be executed are not ordinarily thrown on the land owner in Egypt. We ought to remark that the periods and amounts adopted in the Leigh Hunt arrangement were arrived at by agreement between the parties as being satisfactory to both of them, and that it in no way follows that they should be exactly copied in agreements as to other lands.

We recognised a first period of construction of two years during which no rent ought to be payable; such rent would, in fact, involve an equivalent deduction from the nominal purchase price.

From the end of the second year we fixed a nominal rental for all land not brought under effective cultivation. Such a rental may possibly act as an inducement to applicants not to take up areas with which they are unable to deal, and may also serve as a slight inducement to expedite reclamation. As from the end of a period, which we fixed at ten years, we increased the rent per feddan of land not brought under cultivation to P.T. 10, which should serve as a serious inducement to bring the land under cultivation prior to that date.

Full taxation we only provided for, when the land was brought under effective cultivation. In doing so, we recognised that, once the main irrigation works are constructed, further delay in reclamation will primarily be due to lack of labour. It is to the interest of both parties for the capital expended in irrigation works to be rendered fully remunerative, and to impose heavy taxation before the land was brought under cultivation would probably mean the infliction of an undeserved penalty on the lessee.

Finally, we allowed temporary (but diminishing) reductions from the tax rate in the year in which land was brought under cultivation and the two following years, in order to meet the fact that perennially irrigated land does not ordinarily give a full yield during the first two or three years of cultivation. For the sake of simplicity we extended the provision to basin land, but the conditions in question are not necessarily applicable to basin land, and in a pure basin concession the provision might probably be omitted.

**General policy as to land-tax.** The general question of the Government's policy as to land-tax arose as soon as we had to deal with the taxation to which the land should be subjected when fully reclaimed and irrigated.

**Basin lands.**

The rate of tax on basin lands we have left to be assessed by reference to their productivity according to the ordinary rate for the time being in force. We anticipate that at no very distant date there will be a substantial area of land under basin irrigation, and we understand that its assessment by reference to lands irrigated by lift would be fairly simple. At the same time, we recognise that difficulty may arise if it proves possible to cultivate cotton on basin land, with the help of an occasional watering by pumps after the flood has fallen, as there is no real connection between the productivity of such lands and that of lands irrigated by lift and planted with the crops now ordinarily cultivated.

**Perennially irrigated lands.**

In the case of perennially irrigated lands we had nothing to guide us. It was necessary to fix some standard of taxation, in order that the purchaser might judge of the prospective value of his purchase. In this case it was impossible to leave the rates to be governed by the legislation for the time being in force; for the area of perennially irrigated land will for some considerable time be so small that special rates of tax for such land—though nominally general in their application—would, practically, be rates arbitrarily fixed for limited areas. We therefore adopted the rates for the time being in force for first class sakia lands—which apply to a sufficiently large area to prevent any suggestion that they have been fixed with special reference to these particular lands—and, in order to safeguard the Government, we provided that special rates for perennially irrigated land might be applied to the lands now to be sold, after a period of 30 years.

For a reason already mentioned, we attach no particular importance to the provisions as to rates of tax in this particular case. The purchaser is a pioneer, and, if he proves to have made a good bargain, nothing could be more conducive to the development of the neighbourhood. The essential point is that, before there is any large extension of land grants—and more especially of grants for perennial irrigation—the Government should have a general policy as to taxation.

Down to the present time, rates of taxation have necessarily **Temporary conditions.** been provisional in their character and have depended very largely upon the amount which the Government has been prepared to spend, directly, in the purchase of a portion of the provincial crop. In other words, such a sum as the Government has spent, either directly or through its employés, on food stuffs, locally produced, or on labour, it has been able, subject to the necessary adjustments, to recover in the form of taxation, and, until produce can be profitably exported, it is hopeless to get away from this vicious circle. Any attempt to materially increase the yield of taxation by increasing the area under cultivation, can, for the moment, only result in a glut of unsaleable produce, accompanied by a fall in prices, which would render payment of land-tax at present rates an impossibility.

It is to be hoped that the opening of the new railway may **Importance of rational basis for taxation.** provide a market for produce which will lead to prices being fixed to some extent independently of purely local conditions. Should this happen, a permanent basis for taxation will for the first time be provided. So far as regards the indigenous population, the necessary adjustment of rates, which will probably be well marked, could be carried out

empirically at the discretion of the local officers. But, if foreign capital is flowing at all freely into the country, any large modifications in rates of taxation, of which due notice had not been given, would probably give rise to protest and to a feeling of insecurity. It is for these reasons that we feel justified in insisting on the importance of finding, as soon as possible, and making publicly known, a rational basis for taxation.

Egyptian precedents.

The precedents supplied by Egypt are perhaps more instructive negatively than positively. Down to (approximately) 1880 tax rates in Egypt would appear to have been substantially arbitrary. From 1880, down to the re-adjustment now in progress, these arbitrary rates have been in principle maintained and have provided many striking irregularities. The purpose of the re-adjustment has been to secure rates bearing, as closely as possible, a fixed proportion (approximately one-third) to rental value. But, in the first place, an arbitrary maximum was fixed to the rate per feddan ; again the rental value per village was estimated some few years previous to the re-adjustment, and not only has there been a general rise in rental value, but marked local variations have already begun to appear. Especially is this the case where public works have been carried out (whether of irrigation or drainage), and no machinery exists for re-adjusting taxation by reference to the effect of such works. We have not, of course, overlooked the Decree of 1902 as to a surtax on land receiving perennial irrigation, but we understand that the effect of the Decree is far from being in proportion to the benefits received. Finally, it has not been clearly laid down to what extent rates are subject to future re-adjustment, although the re-adjustment Decree contains the negative provision that no further re-adjustment shall take place during a named period.

The importance of the matter (apart from the interests <sup>Effect of</sup> of the Government revenue) lies in the fact that the market <sup>taxation</sup> <sub>on values.</sub> value of land is directly and materially affected by any change in rates of taxation. It is therefore eminently desirable that proprietors should have notice of the policy which it is intended to adopt. The re-adjustment in Egypt probably represents the maximum that could be then accomplished, in view of the fact that historically no principle of systematic re-adjustment appears to have existed. We desire that no such inconvenient procedure should be allowed to grow up in the Sudan.

The policy that we should recommend is that as soon as <sup>Recom-</sup> <sub>mendation.</sub> possible (but not so soon as to involve the fixing of more or less permanent rates before the new conditions produced by the railway, etc., have had time to shew themselves) the Government should embody in a Land-Law the proportion of the rental value it claims in the form of tax, and should provide for the periodical revision of rates on this basis. In localities where rental values could not be said to exist, it might be necessary, for a time, to fix tax rates by reference to the normal gross produce of the land. Once rates were fixed, there would be obvious economic objections to too frequent revision. At the same time, in parts of the country where the first assessment was admittedly provisional, an earlier revision might be both justifiable and necessary. The law should further provide for re-adjustment, when the conditions are substantially changed by the construction of irrigation or other public works. There are of course means by which this policy might be brought to the knowledge of the world at large before it was actually embodied in legislation.

## CHAPTER VII.

### Form of Grant.

Control secured by postponement of grant of full ownership. In deciding upon the form of grant to be adopted the object to be kept in view is to secure that the area included in the grant should be reclaimed with all reasonable speed.

This object might no doubt be secured more or less effectively by simple contract, even if the land were immediately granted in full ownership. Breach of contract, however, results naturally in a simple action in damages, which would leave the land in the ownership of the defaulting concessionnaire. It is, further, far from clear to what extent conditions of any kind can be attached to land in full ownership under Sudan Law, without legislation. For these reasons we prefer to adopt a system under which full ownership will not be acquired until the concessionnaire has substantially carried out his obligations as to reclamation.

The system adopted in Mr. Leigh Hunt's case, which we propose for general adoption, is based upon recent practice in Egypt (where, we may remark, it is not technically impossible to introduce a condition providing for the rescission of a sale in certain events, though in practice such a condition proves difficult to enforce).

Preliminary agreement. The first step is a preliminary agreement under which, upon payment of a deposit, the intending concessionnaire enters upon the land for the purpose of carrying out survey and preparing plans.

Surveys and Plans. Such survey must be completed and plans submitted within a fixed time.

The plans being submitted within the fixed time and right to lease, being thereafter approved, the concessionnaire is then entitled to take up a lease of the area.

Upon Mr. Leigh Hunt taking up his lease, he becomes deposit entitled to the return of his deposit: should he fail to do so (or, consequently, should he fail to submit his plans within the time fixed, so losing his right to take up his lease) the deposit is forfeited.

We have already suggested that in future grants the deposit might be retained to a somewhat later stage.

The period fixed for the currency of the lease is chosen so as to permit, with a business-like carrying on of operations, of the complete reclamation of the entire area, a generous margin being allowed for contingencies. The margin is not, however, intended to be sufficient to render the taking up of the lease a profitable speculation in the event of the concessionnaire not proceeding later to take up the land in full ownership.

Although the lease can only be taken up when the irrigation plans are approved, the date at which it expires is fixed by the preliminary agreement. The concessionnaire is thus prevented from profiting by delay in submitting proper plans.

The main irrigation works must be completed before a fixed date, as described under the heading "Surveys, Irrigation Works and Pumping." Failure to duly complete these works involves a forfeiture under the re-entry clause to be mentioned later. The main irrigation works once constructed, we take it that the concessionnaire would have sunk in the land an amount of capital which would lead him to proceed thereafter with the further works necessary to render his outlay productive.

Restrictions on assignments. So long as the land remained on lease, the lessee's interest therein would be inalienable without the written consent of the Government, cultivating tenancies from year to year being alone allowed.

Cultivating tenancies. Cultivating tenancies from year to year are no doubt open to the theoretical objection that they place the tenant unduly at the mercy of the owner (in the present case the head lessee).

The conditions incident to the period during which the land remains on lease are, however, as will shortly appear, temporary in their character : cultivating tenancies from year to year are thoroughly familiar to the people ; and if longer tenancies were allowed a serious inroad might, with the exercise of a little ingenuity, be made upon the principle of inalienability. We prefer to rely upon the fact that during the preliminary period it will be strongly in the interest of the head lessee, in view of the scarcity of local labour, to deal fairly with his sub-tenants, who, during a portion of the year, will probably supply him with the bulk of his labour.

That, later, competition rents may make their appearance, is, if the country is to develope, almost certain. The problem of tenant-right will then call for consideration, and at least, the Sudan Government will not be hampered by the legislative impotence, which weighs on the Egyptian Government. We are here only concerned to observe that the question does not present itself for present purposes.

option to purchase. The stage during which the land is held on lease being essentially a preliminary one, the lessee is empowered to purchase the land in blocks, at a price fixed in advance, as soon as it is reclaimed.

In the case of perennially irrigated land, these blocks are,

in the Leigh Hunt contract, of not less than 1,000 feddans in area, taken right across the leased land at right angles to the river, so securing that the land shall be fairly dealt with, and that the lessee shall not pick out and purchase the best parts only of the land.

The right of purchase only arises if reclamation is carried on in a business-like manner, and is definitely lost if, after it has arisen, business-like reclamation is abandoned.

In the case of basin land, the limit for purchase is an entire basin.

Where, as under the Leigh Hunt contract, the area is so large as to admit of several basins, the right to purchase is lost if the work is not carried on in a business-like manner, but the condition is drawn in terms which are far from stringent, as it is impossible, until the plans are prepared, to decide what is the maximum of speed which may be fairly insisted on in pushing on the work.

The question of rent has already been dealt with.

Rent.

Finally, every lease involves a number of subsidiary clauses for giving effect to its main provisions, the drafting of which may give rise to disagreements between the parties. If notice is not given, in advance, of the lines to be followed. In this connection we may, perhaps, usefully quote paras. 29 and 30 of the Leigh Hunt contract, which are as follows:—

(29) "The lease would contain a power of re-entry on breach of the covenants of the lease, limited in the manner customary in the most recent concessions of the Egyptian Government; a clause conferring on Government representatives the fullest power of inspection; a clause empowering the Government to require the lessee to devote an area, not exceeding 10 feddans, in any year, to experimental cultures; and all such formal clauses and conditions as the legal advisers to the Government might deem necessary or proper."

(30) "All mineral rights would be expressly excepted both from the lease and from the subsequent grants in full ownership. But such exception would not prevent the taking of stone, lime, sand, etc., by the lessee for purposes connected with the lease."

We ought, perhaps, also to refer to para. 35, as follows :—

Powers  
to legislate  
Limitations.

(35) "Nothing in the lease or in the subsequent deeds of sale would exempt you from the application of subsequent legislation as to irrigation or other matters, except that during the continuance of the lease, and for 30 years from date of purchase, you and your sub-purchasers would be exempt from the application of any legislation fixing higher rates of land tax for perennially irrigated lands than for first class land irrigated by means of sakias."

It may well be that the period of 30 years mentioned in the clause just set out is needlessly long. Possibly a policy may have been arrived at as to the taxation of perennially irrigated lands, before any large grants thereof are made.

## CHAPTER VIII.

### Miscellaneous

Need for  
Legislation.

Our enquiries have led us to a clear opinion that, so soon as the development of the agricultural wealth of the country is systematically undertaken, the need of legislation will make itself felt. To the question of pumps we have already alluded. There is, further, no irrigation law of any kind in the Sudan at present, and any adaptation of the Egyptian Canal Act would involve taking advantage of the different legislative and judicial conditions which prevail in the Sudan, in the manner already alluded to under the head of pumping permits.

We ought, perhaps, to mention in the same connection the general question of the rights to be claimed by Government over the smaller streams in the south — a problem which does not exist in Egypt, and which may become important if the Bahr El Ghazal is found to be suitable for cotton growing. We may remark that quite recently the right to dam streams claimed by riparian owners has been causing difficulty in the Transvaal.

We have not spoken in the body of our report of the **Power of resumption** question of the resumption of land required for public purposes. In the absence of any provisions as to the matter in leases or grants, the question would be dealt with under the legislation as to expropriation for the time being in force. It might therefore be sufficient to trust to such legislation being drawn. The question has recently attracted the serious attention of the Egyptian Government, in connection with the expropriation of land necessary for the purpose of the conversion of basin into perennially irrigated land, but it has to be observed that legislation on the subject in Egypt (so far as concerns Europeans) is non-existent.

We see no objections to the insertion in leases of a maximum price for land which may be required while the lands <sup>Temporary provisions.</sup> remains on lease, and we inserted a provision to that effect in the Leigh Hunt contract.

The position remains substantially the same where the land has been purchased, so long as it remains in the hands of the original purchasers. A like clause covering any such period was therefore inserted in the Leigh Hunt contract.

The larger question remains whether it is worth while attempting to insert any such clause in the grant, which shall be intended to run with the land, into whatever hands it may fall.

Objections  
to permanent  
provisions.

In our opinion, any such provision is emphatically undesirable. It would operate to attach permanently to the land an undefined risk, against which intending purchasers would make more than ample provision in the price which they offered. In actual practice, when the ownership of the land has become sub-divided, it might lead to the expropriation of the entire holding of a small owner, at less than he had paid for the land, and the fact that the entire property had been originally granted by Government to the pioneer concessionnaire at an even smaller price would in no way serve to compensate him. The only way in which the provision could operate to prevent such occasional injustice would be by permanently depressing the market value of the entire area.

Once land is granted in full ownership, we hold strongly that for the best possible use to be made of it, the owner should have the knowledge that under no circumstances will he be arbitrarily deprived of it without receiving the full equivalent of the value at the time of expropriation.

We should justify our exception, in the case of the original grantee, by the fact that in no case is more than a small fraction likely to be expropriated, and that the risk is one of so many uncertain elements, in deciding upon the original price, that it may fairly be disregarded.

Arguments  
in favour  
of such  
provisions.

Those who dispute the proposition we have just advanced, would reply that in many cases an extra value is added to the land by the knowledge that it will be required, and that the owner is frequently a large gainer in respect of other lands by reason of the works for which the expropriated land is required.

Provisions of  
Expropriation  
Ordinance.

The extra value accruing to the land itself can be provided for in drawing up an Expropriation Ordinance (and is so provided for in the existing Ordinance).

The second point is, in reality, an entirely separate question. Works of public utility enhance the value of land served by them, and it is reasonable that the persons benefiting by them should contribute largely to their cost. (See our remarks under the head of "Taxation.")

The persons whose land is expropriated may benefit by contribution the works for which they are required, and, in that case, <sup>to cost of</sup> <sub>Public works.</sub> they may fairly be called on to contribute in proper proportion ; but it may equally happen that they do not benefit (as, in an extreme case, when their entire holding is taken) and justice requires that the two matters should be kept entirely distinct.

A point to which our attention has been drawn by Mr. Leigh Hunt, and by several of the applications for grants submitted to us, is that of the granting of facilities for the importation of labour and of plant.

Mr. Leigh Hunt asks for permission to import negro <sup>Negro settlers.</sup> settlers. We see no objection to the experimental importation of a limited number of such settlers, but any permission to that effect should be absolutely revocable ; the contracts framed with the labourers should be submitted to the Sudan authorities for approval, and the employer should undertake to repatriate all labourers at his own expense, upon the termination of their contract, upon their becoming a charge to the Government, or upon the permission being withdrawn. A deposit should be required, to secure the carrying out of such undertaking.

Similar conditions should apply to all imported labour other <sup>Foreign labour.</sup> than Egyptian labour, and similar, though less stringent, <sup>Egyptian labour.</sup> conditions to imported Egyptian labour.

Question  
of allotments  
to labourers.

It may be a matter for consideration whether, in the case of Egyptian labourers, it might be made a condition of the contract, that they should be entitled to acquire small plots of land on easy terms.

Penal clause.

We ought to remark that if a labourer, imported at the expense of his employers, fails to labour in accordance with the terms of his contract, he is punishable under S. 400 of the Sudan Penal Code, provided that the duration of the contract does not exceed three years.

Transport  
facilities.

Several applicants ask for reduced rates for the transport of labourers and materials, remission of customs dues, etc.

For materials.

As regards materials, we are not in favour of acceding, as a permanent measure, to the request. The question is ultimately one of accounts. If the concessionnaire is entitled to reduced transport charges for his materials he can afford to pay a somewhat higher price for the land, and conversely. Conceivably, in fixing the price which he is willing to pay for the land, the concessionnaire may make undue allowance for the cost of transport, if the entire cost falls upon him ; but, on the whole, we consider it the sounder policy to treat the transport charges at ordinary rates as profits on the transport undertaking, and to credit to sale of lands the net price only, which the concessionnaire is willing to pay after meeting all the expenses. To this principle we admit a temporary exception pending the completion of the railway. The charges by the shorter route will be appreciably reduced, and, until it is opened, we would admit reduced rates by the longer route, until the cheaper rate is available, in order to remove any inducement to postpone the importation of material.

For labour.

The above stated principles are theoretically applicable to the transport of labourers. Every additional labourer for whom employment is available is, however, an asset for the

country apart from the land reclamation schemes, and the employer runs an appreciable risk of finding that when he has paid the cost of the transport of a labourer the man seeks employment elsewhere. We should, on the whole, approve any concessions in this respect, to which the Departments concerned are willing to consent.

We have already alluded to the objections to land companies as permanent landlords. While we are not prepared to recommend any interference with the working of ordinary economic laws deciding in what hands the ownership of the land shall in the main vest, we desire to draw attention to the effect which heavy duties on transfers may have in militating against the sub-division of the ownership of the soil. We have, however, no specific recommendations to make on the point. Were it desired to actively further the transfer of ownership to a class of peasant proprietors, we should adopt substantially the same form of grant as we have indicated above, but should provide that absolute ownership only be granted to sub-purchasers. We should then lay down that, so far as possible, sales should be to persons intending actually to cultivate and, to prevent evasion, we should make all sales subject to the consent of the Government, such consent not to be unreasonably withheld. The term of the lease would require to be much longer, in order to assure a reasonable prospect of selling the entire area before the lease expired.

Since the bulk of the present report was drafted, Mr. Leigh Hunt has applied for permission to transfer the benefit of his contract to a syndicate of responsible capitalists, in which he would be a principal shareholder. Should such permission be granted and should the present venture prove

Policy of encouraging sub-division of land.

Questions raised by Mr. Leigh Hunt's application to form Syndicate.

profitable, the same gentlemen are prepared to form a much larger company with a view to extending their operations. The names of the gentlemen participating in the syndicate lead us to hope that, so far as is possible at the present very early stages, our suggestions have been of a nature to inspire confidence amongst business men.

The arrangements for forming the larger company suggest that the success of the one syndicate now proposed may serve all the purposes of what, in an earlier part of our report, we have described as "the pioneer stage." So soon as, if ever, the gentlemen concerned are prepared to form the larger company, the development of the Sudan will have entered upon a new phase. The question on which we have already touched, of the extent to which the Government can entrust to others the construction of large irrigation works, will call for definite decision. The present rudimentary legislation in commercial matters may require to be replaced by more formal codes. The whole machinery of Government—well suited, as it is, to the needs of the indigenous population, and amply as it protects the few pioneers of civilization who have entered the country—will be subjected to more exacting tests.

Such speculations are a somewhat large superstructure to erect on the basis of the single fact that a few capitalists have arranged in certain events to take determinate shares in a possible company, and, in any case, they are for the most part outside our present province. We only allude to them to add force to our view that the problems on which we have touched—questions of irrigation, the forms of land tenure, and the basis of land taxation—may at no distant date become urgent.

We append, for convenience of reference, a copy of the letter containing the terms of the Leigh Hunt Concession.

Signed: A. L. WEBB,  
*Inspector General of Irrigation, Upper Egypt.*

Signed: W. E. BRUNYATE,  
*Khedivial Counsellor.*

Signed: E. H. CECIL,  
*Agent General, Sudan Government.*

Cairo, 1st June, 1904.



AGENCY GENERAL,

SUDAN GOVERNMENT,

*CAIRO, 1. 4. 04.*

LEIGH HUNT, Esq.

Sir,

1. With reference to your application to take up land in the Berber neighbourhood, I have submitted to H. E. the Governor General the terms discussed at my interviews of the 28th and 29th ultimo with yourself and Mr. Nevile, and am now in a position to indicate to you the terms on which the Sudan Government is definitely prepared to accede to your application.

**Total Area.**

2. The area to be taken up by you would be the entire area to the west of the river, bounded on the north by Um Tiur Saliba, on the south by the Wadi el Wadai opposite Mutmir Railway station, on the east by the cultivated land in private ownership lying along the river, and on the west by the furthest limit of land which in the opinion of the Government could be profitably included in your scheme, but of the above area not more than 10,000 feddans would be allowed to be perennially irrigated by means of pumps.

3. I describe in paras. 36 and 37 infra. terms on which you would be allowed to take up 10,000 feddans for perennial irrigation, as a separate undertaking, reserving an option to take up the remainder of the area at a later date. For the sake of simplicity, I proceed to deal first with the terms applicable to a single grant of the entire area.

**Form of Grant.**

4. The grant would take the form of lease with such option of purchase as is described in paras. 16-21 infra.

**Preliminary Survey and Scheme.**

5. You would be required to make a preliminary deposit of £1,000, upon the making of which you would be at once entitled to enter upon the land for the purpose of surveying the same. Such sum of £1,000 would be returned to you upon your taking up the lease: in the event of your not doing so, it would remain the property of the Government. In consideration of the deposit, all the preliminary expenses of the Government prior to the granting of the lease would in any event be borne by the Government.

6. You would be required to produce to the Governor General not later than the 1st April, 1906, a detailed plan of the land shewing all necessary levels, together with an irrigation scheme shewing the proposed distribution of the land in basins and the position, levels, and sections of a main irrigation canal or canals and of all main drainage works. Such main irrigation canal or canals should be adequate for the flood or basin irrigation of the entire area. The land intended to be perennially irrigated by means of pumps should be separately shewn, and should either be in one continuous block, or if in detached blocks (in no case exceeding three in number) should be in such positions as to fit in with the scheme for basin lands and to be capable of convenient incorporation in any general scheme for the basin irrigation of the locality as a whole, in the event of the land subsequently lapsing to the Government.

7. The irrigation scheme above described would be required to be approved by the Government.

8. Upon the scheme being approved you would be entitled to call for a lease upon the conditions hereinafter described.

**TERMS OF LEASE.**

9. The lease would terminate on the 31st December, 1919.

10. So long as any land remained on lease, it would be inalienable without the written consent of the Government, cultivating tenancies from year to year only being allowed. This restriction would cease to be applicable to any land upon your exercising in respect of it the option to purchase described below.

11. You would be required to complete the construction of the main irrigation canal or canals and of the drainage works before the commencement of the Nile flood of the year 1909.

12. You would be granted a right of way for so much of the main irrigation canal or canals as lay outside the leased area without charge, so far as concerned land the property of the Government, but, so far as the rights of private owners were affected, you would have to pay the sum necessary for compensating such owners under the provisions of para. 52.

13. All irrigation, drainage, and reclamation works would be constructed or carried out and thereafter maintained at your own expense.

14. The plans for all irrigation and drainage works would require to be submitted (in such detail as might from time to time be indicated) to the Governor General, approved by him in advance.

15. I believe that you might safely count on the Governor General consulting the Public Works Department in Cairo on technical questions.

**Option to Purchase.**

16. Your option to purchase, so far as concerns perennially irrigated land, would first arise upon your having brought an area of not less than 3,000 feddans of such land under effective cultivation, it being a condition that such area should be brought under effective cultivation within three years from the completion of the main irrigation canal or canals, and its continuance would thereafter be conditional upon your bringing under effective cultivation a minimum area of 1,000 feddans a year, calculated upon a three years average, and being wholly lost if, during a period of three years, whenever commencing, you failed to bring under effective cultivation an area of 3,000 feddans.

17. The option to purchase perennially irrigated land would only be exercisable in respect of continuous blocks of not less than 1,000 feddans, bounded on the sides parallel to the river by the limits of such land and on the other sides by lines at right angles to the general direction of the river.

18. The option to purchase any portion of the remainder of the land would be exercisable as soon as such portion formed part of a basin properly equipped with retaining walls and with suitable works for the flooding and drainage thereof, and sufficiently levelled to admit of its being cultivated as basin land.

19. The continuance of such right of option would be conditional upon a minimum area, to be fixed by the Government, but in no case exceeding one-third of the whole basin area, being converted into basin land within 5 years from the granting of lease, and of a minimum area, to be so fixed, but in no case exceeding two-thirds of the whole basin area,

being so converted within ten years from the granting of the lease.

20. The purchase price of all land purchased under your option would be P.T. 40 per feddan, payable at the time at which the option was exercised.

21. The option to purchase would in any case wholly expire upon the determination of the lease.

#### **Land Tax and Rent.**

22. Perennially irrigated land (i.e. land the irrigation of which by pumps during the summer was permitted) would after purchase, be liable to land tax at the rate current in the province for first class land irrigated by means of sakias.

23. Basin lands would, after purchase, be assessed to land tax by reference to their productivity, according to the ordinary rates for the time being in force.

24. Rent at like rates would be payable in respect of land brought under effective cultivation and retained on lease.

25. For the purpose of assessing rent (but not necessarily so as to restrict the right of purchase), land would only be considered as brought under effective cultivation after the expiration of a period of two years following the year in which it was first cultivated.

26. During the year in which it was first cultivated it would pay rent equal to  $\frac{1}{4}$  only of full tax ; during the following year it would pay rent equal to  $\frac{1}{2}$  only of full tax, and during the next following year a rent equal to  $\frac{3}{4}$  of full tax.

27. During the first two years of the lease no rent would be payable: thereafter, and until the end of the 10th year of the lease, a rent at the rate of P.T. 2 per feddan a year would be payable in respect of land which had not yet been cultivated: from the end of the 10th year of the lease rent at the rate of P.T. 10 per feddan would be payable.

28. Blocks of land left uncultivated by reason of level but surrounded by land which was, or had been, cultivated would be assessed to rent under paras. 23-26 if of less than 10 feddans in area.

**General Conditions.**

29. The lease would contain a power of re-entry on breach of the covenants of the lease, limited in the manner customary in the most recent concessions of the Egyptian Government; a clause conferring on Government representatives the fullest power of inspection; a clause empowering the Government to require the lessee to devote an area not exceeding 10 feddans in any year to experimental cultures, and all such formal clauses and conditions as the legal advisers to the Government might deem necessary or proper.

30. All mineral rights would be expressly excepted both from the lease and from the subsequent grants in full ownership. But such exception would not prevent the taking of stone, lime, sand, etc., by the lessee for purposes connected with the lease.

**Powers of Resumption.**

31. Power would be reserved to the Government to declare the main canal (as also any minor canals or drains of sufficient importance) public canals (or drains) so soon as, by reason of the sale of purchased lands to sub-purchasers or otherwise, they come to serve the land of two or more owners, and such canals (or drains) would thereupon vest in the Government without any payment.

32. The Government would become responsible for the upkeep of such canals (or drains) upon their so taking them over.

33. Power would be reserved to increase the land tax upon land served by public canals (or drains) by an amount representing the cost of their upkeep so thrown upon the Government.

34. So long as land remains vested in you or in your representatives otherwise than by purchase (whether upon lease or in full ownership) the Government would retain power to resume areas for public purposes (e.g. the widening of the main canal or the construction of canals or drains for the service of neighbouring lands) at a price (in default of agreement) not exceeding P.T. 200 per feddan, if the land were still held on lease, or P.T. 240, if it had been purchased.

In the lands of your sub-purchasers they could only be expropriated under the laws as to expropriation for the time being in force.

#### **Saving of power to Legislate.**

35. Nothing in the lease or in the subsequent deeds of sale would exempt you from the application of subsequent legislation as to irrigation or other matters, except that during the continuance of the lease, and for 30 years from date of purchase, you and your sub-purchasers would be exempt from the application of any legislation fixing higher rates of land tax for perennially irrigated lands than for first class land irrigated by means of sakias.

#### **Alternative Scheme.**

36. Should you see your way to taking up the area of 10,000 feddans for perennial irrigation in a continuous block, it would be open to you to present a separate plan and scheme for such limited area not later than the 1st April 1905, and upon the scheme being approved you would be

entitled to take up a separate lease for such area upon the terms above set out, so far as the same are applicable to perennially irrigated land, save that the main irrigation canal or canals and the main drainage works for such restricted area would require to be completed in time for the Nile flood of the year 1907.

37. Upon your taking up such lease for a limited area, one half of your deposit would be returned to you, and it would then be open to you to proceed in respect of the rest of the land to present a plan and scheme not later than the 1st April, 1906, and upon the approval of such scheme to take up a lease for the remainder of the land upon the terms above set out, so far as the same are applicable to basin lands. The balance of your deposit would be returned to you upon your taking up such further lease, or, in the event of your not taking up the same, would lapse to the Government.

#### **Pumping Rights.**

38. The right of irrigating perennially irrigated land by means of pumps during the summer would extend to the placing on the land of sufficient water to irrigate 4,000 feddans, this being the proportion of an area of 10,000 feddans which experience shows can be put under summer crop in any one year consistently with a sound system of rotation of crops.

39. There would be no objection to your having the further right to lift water by means of pumps for a larger area during the winter, after the free flow of water in the canal had ceased, but any such right would be subject to the absolute discretion of the Government to order cessation of working at a date to be fixed annually with regard to

the general interests of irrigation either in the Sudan or in Egypt.

40. Every pump (whether for summer or for winter use) would require to be furnished with a special permit and the question of pumping would be dealt with outside the lease. The policy of the Government as to pumps is not yet definitely settled, and it is probable that legislation on the subject will shortly be required. All pumping permits granted to you would be subjected to the provisions of such legislation. It will therefore be more convenient that the exact terms of the permit shall not be fixed at the present moment.

41. Immediate information could be given to you as to the size, etc., of pumps which would be authorised, and the permit would be issued as soon as the pumps were required.

42. The provisions contained in the following paragraphs would in any case be applicable.

43. The permit (or permits) for summer pumps would be for a term of twenty years.

44. You would be required to provide water in the proper proportion to your sub-tenants and ultimately to your sub-purchasers.

45. A limit would be fixed to the prices to be charged.

46. All permits would be inalienable and would contain a forfeiture clause.

47. The permit (or permits) for summer pumps would reserve a power of resumption by the Government after 10 years, or after 5,000 feddans, at least, of perennially irrigated land has been alienated by you, at a fair calculation of the value of the pumps and of the unexpired term of the permit.

48. Upon the expiration of the term for which the summer pumping permit was granted, or upon the earlier resump-

tion of the pumping system, the Government will be entitled to charge for the supply of summer water, rates, in the form of an additional land tax, equal to the maximum rates for summer water allowed under the pumping permit.

49. Legislation might provide for the summary recovery of penalties for wilful failure to carry out the terms of the contract for the supply of water by means of pumps.

#### **Expropriation of Native Rights.**

50. As you are aware, cultivating rights in years of exceptional flood are claimed over portions of the land covered by your application, and such claims are now being adjudicated upon by a Commission. The land would be delivered to you free from such rights ; but in the event of your taking up the entire area (whether under one lease or under two) you would be required to place at the disposal of the Government an area of basin land not exceeding 3,000 feddans, sufficient to compensate the owners of such rights. Such area should be indicated upon your plan, and should be distributed with proper regard to other land held by the owners of such rights. You would, of course, be liable to no payment of purchase money in respect of such land.

51. In the event of your taking up perennially irrigated land only, your system of canalisation and other works should be so arranged as not to interfere with the flooding by the river of lands to the south, and to convey to lands to the north during high flood at least as much water as would reach them under the conditions hitherto existing.

52. Should the inclusion of any land in private ownership in your operations be necessary, or should your operations be such as to materially prejudice any land in private

ownership, such lands must be bought by you, and the Government would not be prepared to put into operation its compulsory powers for the purpose, except in respect of land required for pumping stations, or for right of way for main irrigation canal or canals under para. 12, or for the construction of necessary roads.

53. Any arrangement arrived at by you by means of private negotiation should be subject to the approval of the Government.

**Negro Settlers.**

54. Any permission given to you to introduce Negro settlers will be essentially revocable.

**General.**

55. The present letter replaces all previous correspondence on the matter.

I shall be obliged by being informed at your convenience of your decision in the matter.

(Signed) : E. H. CECIL.  
*Agent General, Sudan Government,*  
*(for Sudan Government.)*



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